NWT HOUSING CORPORATION

1. Overview

Mission

The Northwest Territories Housing Corporation (NWTHC) provides access to adequate, suitable and affordable housing. Through the provision of housing programs and services, the NWTHC contributes to the health and education of NWT residents and to the development of sustainable, vibrant and safe communities.

Goals

1. Increase the supply of adequate, suitable and affordable housing in communities to address the housing needs of NWT residents.

2. Acquire and plan for sufficient land for the purpose of providing affordable housing.

3. Provide homeownership and rental programs and services that are effective and appropriate.

4. Enhance the long term sustainability and energy efficiency of housing in the NWT.

5. Promote personal responsibility and accountability for housing through community based training and support.

Key Activities

- Executive Offices
- Finance and Infrastructure Services
- Programs and District Operations
- Local Housing Organizations

2. EMERGING ISSUES

Overall Housing Conditions

There are approximately 14,500 households in the Northwest Territories. About 75.8% of these households are in six market communities (Yellowknife, Inuvik, Hay River, Fort Smith, Fort Simpson and Norman Wells) and the remaining 24.2% dwellings are spread across 27 smaller non-market communities. There are considerable differences in housing conditions and in other demographic, social and economic indicators between the market and non-market communities.

Selected Indicators of Housing, by Market Type

	Market Communities	Non-Market Communities
Households	11,002	3,519
Public Housing	8.8%	36.4%
Market Rental	37.6%	14.7%
Homeownership	53.6%	48.9%
Housing Problem	24.2%	54.8%
Adequacy (Quality)	8.6%	40.3%
Suitability (Crowding)	4.5%	17.3%
Affordability (Cost)	13.9%	14.2%
Population Change (Census 1996-2011)	5.9%	-1.0%
Average Household Income	$123,420	$68,524
Employment Rate (Pop. 15 & Over)	76%	42%

Most of the indicators presented are from the 2009 NWT Community Survey. Housing results from the 2011 Census are expected to be released later in 2012. The next NWT Community Survey is planned for 2014. It is expected that recent investments may have resulted in some change in the indicators since 2009.

Building for the Future – A Strategic Framework for Housing

Building for the Future is the new strategic plan for housing that came out of the Shelter Policy Review that was completed during 2011-12. This document outlined eight strategic priorities related to housing and identified a number of actions related to each. The strategic priorities included:

1. Strengthening Public Housing
   - Implement new rent scales
   - Continue to modernize the public housing stock

2. Improving Homeownership Supports
   - Modify homeownership supports
   - Expand availability and target repair programs

3. Increasing Housing Options in Non-Market Communities
   - Expand other housing options in non-market and emerging market communities

4. Improving Housing Services
   - Improve overall awareness, skills, and opportunities for residents to support their own shelter needs
   - Ensure delivery of housing services are seamless and delivered effectively and efficiently

5. Strengthening the Approach to Homelessness and Transition Housing
   - Ensure there is coherence and balance in the GNWT approach to homelessness and support for transition housing

6. Addressing Housing Challenges for the Working Poor
   - Address affordability challenges for lower income households in market rentals

7. Developing Infrastructure Solutions Based on Individual and Community Needs
   - Ensure an effective approach to infrastructure that supports the overall policy objectives related to shelter

8. Addressing the Declining Federal Funding
   - Develop approaches that will provide for an adequate and stable level of funding for the delivery of the public housing program

While it will take a number of years to implement all aspects of the strategic plan, this business plan begins to operationalize the strategic priorities.

Some of the key strategic actions that are proposed to be advanced during 2012-13 include:

- Implement new public housing rent scales.
- Introduce a new rent supplement program to address housing challenges of the working poor living in market rentals.
- Implement SAFE a new emergency repair program for low income homeowners.
- Make changes to CARE to improve accessibility to NWTHC repair programs.
- Continue steps related to Betty House and addition of a Homelessness Coordinator for improved coordination of homelessness activities and working with communities outside of Yellowknife.
- Complete detailed planning related to expanding housing options in non-market communities with a focus on demand related to critical staff.
- Initiate a planning exercise, in cooperation with LHOs, to examine approaches to improve community level delivery of housing services.
- Continue to advance federal-provincial-territorial work on the sustainability of social housing and the challenge created by the declining federal funding as co-chair of the FPT Housing Committee.

Other Operational Pressures

There are a number of other operational issues that continue to put pressure on the operations of the NWT Housing Corporation. These pressures will need to continue to be managed and addressed.

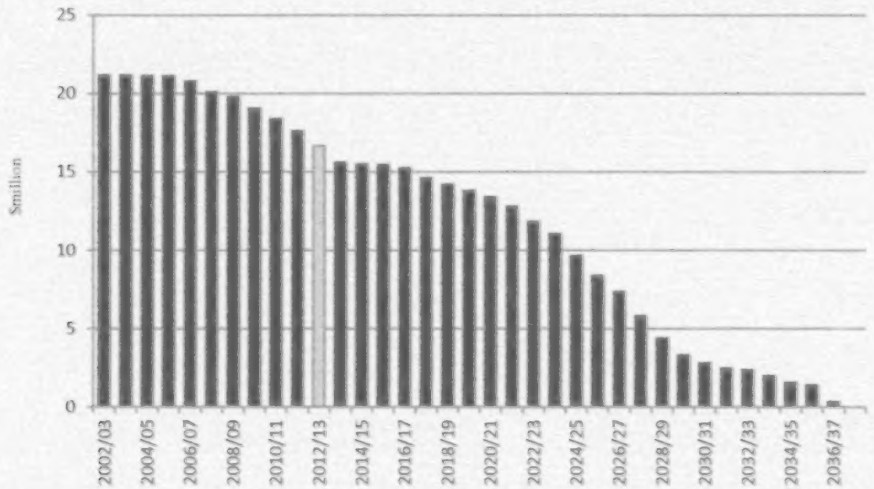
A significant pressure relates to continued increases for utility prices. For fuel oil, average

consumption declined somewhat over the past few years while prices have continued to increase. Utilities are a significant portion of the operating costs related to public housing and price increases in this area can significantly impact the NWTHC. The expected increase in electricity prices and volatility in oil prices are pressures for NWTHC operations.

In addition to these price pressures, the Inuvik and Norman Wells gas supply issues are also likely to place additional pressure on operating costs for the NWTHC. A switch to oil burning equipment in NWTHC assets is likely to require significant investment and residents in private dwellings may need support.

A second area of pressure is the continuing decline in federal funding through CMHC for the operating public housing. Overall, the decline will be from $17.6 million in 2011-12 to zero by 2038-39. The funding declines by different amounts on an annual basis depending on when the stock was initially constructed by the federal government. Over the next four years the federal funding will decline by $2.2 million.

Declining CMHC Funding for Operating Social Housing
2002-03 to 2037-38



There are many elements of *Building for the Future* that are designed to alleviate the impact of the declining funding. The effect of these efforts may take some time and continuing to advance federal-provincial-territorial work on the sustainability of social housing and the challenge created by the declining federal funding as co-chair of the FPT Housing Forum holds the greatest promise in the near-term.

3. 2012-13 Planning Information

The detailed description of planned activities for the department includes the following sections:

a) **Fiscal Position and Budget** provides information on the department's operation expenses and revenues.

b) **Key Activities** describes the department's major programs and services, including strategic activities, as well as results to date and measures.

c) **Responding to Priorities** describes current major activities the department is undertaking in supporting the priorities identified by the 17th Assembly.

d) **Infrastructure Investments** gives an overview of the department's planned infrastructure investments for 2012-13.

e) **Legislative Initiatives** provides a summary of the department's legislative initiatives during the 17th Legislative Assembly as well as initiatives planned for 2012-13.

f) **Human Resources** includes overall statistics and position reconciliation, information on capacity building activities as well as departmental training and development.

g) **Information Systems and Management** describes department-specific information and management systems as well as major initiatives planned for 2012-13.

a) Fiscal Position and Budget

Departmental Summary

	Proposed Main Estimates 2012-13	Revised Estimates 2011-12	Main Estimates 2011-12	Actuals 2010-11
	($000)	($000)	($000)	($000)
OPERATIONS EXPENSES				
Executive	1,194	1,276	1,276	1,474
Programs and District Operations	34,174	37,436	32,672	39,240
Finance and Infrastructure Services	20,595	21,490	21,472	21,898
Local Housing Organization	43,904	43,369	41,006	41,983
TOTAL OPERATIONS EXPENSE	**99,867**	**103,571**	**96,426**	**104,595**
CAPITAL INFRASTRUCTURE	13,342	31,233	16,420	28,482
TOTAL OPERATIONS & CAPITAL	**113,209**	**134,804**	**112,846**	**133,077**
REVENUES	**113,209**	**134,523**	**112,846**	**138,925**
SURPLUS/(DEFICIT)	-	**(281)**	-	**5,848**

EXPENSE SUMMARY

	Main Estimates 2011-12	Proposed Adjustments: Forced Growth	Proposed Adjustments: Strategic Initiatives	Proposed Adjustments: Sunsets and Other Adjustments	Proposed Adjustments: Internal Reallocations	Proposed Budget 2012-13
	($000)	($000)	($000)	($000)	($000)	($000)
Executive						
President's Office	601	-	-	-	(57)	544
Strategic Planning, Policy and Communications	675	-	-	(50)	25	650
Total Executive	**1,276**	-	-	**(50)**	**(32)**	**1,194**
Programs & District Operations						
Vice-President's Office	272	-	-	-	114	386
Program Development and Implementation	977	-	123	-	(297)	803
North Slave District	7,758	-	225	(250)	827	8,560
South Slave District	5,465	(5)	50	(250)	1,156	6,416
Nahendeh District	4,386	2	240	(250)	(429)	3,949
Beaufort Delta District	8,581	(4)	-	(250)	(10)	8,317
Sahtu District	5,233	(3)	85	(250)	678	5,743
Total Programs & District Operations	**32,672**	**(10)**	**723**	**(1,250)**	**2,039**	**34,174**
Finance & Infrastructure Services						
Vice-President's Office	295	-	-	-	(4)	291
Finance & Administration	18,550	80	1,050	263	(3,384)	16,559
Infrastructure Services	2,627	-	-	-	(339)	2,288
Financial Planning	-	-	-	-	353	353
Information Services	-	-	-	-	1,104	1,104
Total Finance & Infrastructure Services	**21,472**	**80**	**1,050**	**263**	**(2,270)**	**20,595**
Local Housing Organizations						
North Slave	9,543	1,370	-	-	436	11,349
South Slave	6,689	(56)	-	-	-	6,633
Nahendeh	1,811	113	-	-	75	1,999
Beaufort Delta	17,785	982	-	-	-	18,767
Sahtu	5,178	(22)	-	-	-	5,156
Total Local Housing Organizations	**41,006**	**2,387**	-	-	**511**	**43,904**
Total Operations Expense	**96,426**	**2,457**	**1,773**	**(1,037)**	**248**	**99,867**
Total Capital Infrastructure	**16,420**	-	**100**	**(1,000)**	**(2,178)**	**13,342**
TOTAL CORPORATION	**112,846**	**2,457**	**1,873**	**(2,037)**	**(1,930)**	**113,209**

REVENUE SUMMARY

	Proposed Main Estimates 2012-13	Revised Estimates 2011-12	Main Estimates 2011-12	Actuals 2010-11
CANADA MORTGAGE & HOUSING CORPORATION (CMHC)				
Infrastructure Stimulus Funding	-	-	-	27,670
CMHC AHI & Renovation Programs	1,840	1,840	1,840	490
CMHC Recoveries Capital	1,494	1,680	1,680	1,756
CMHC Recoveries Unilateral Programs	3,918	3,918	3,918	3,918
CMHC Recoveries O&M Programs	11,050	12,040	12,040	12,719
CMHC Recoveries Debt Repayment	6,448	7,624	7,624	8,802
TOTAL	**24,750**	**27,102**	**27,102**	**55,355**
OTHER RECOVERIES				
Sale of Housing Packages & Other Recoveries	2,200	2,200	2,200	1,799
Public Housing Tenant Revenue	4,236	5,225	5,225	5,359
Other Revenue	1,075	1,115	1,115	1,463
Lease Revenue	2,884	2,821	2,821	3,024
Non-cash Item Amortization	12,606	12,557	12,958	12,138
Deferred Capital	-	20,256	250	-
TOTAL	**23,001**	**44,174**	**24,569**	**23,783**
GNWT CONTRIBUTION	**65,458**	**63,247**	**61,175**	**59,787**
TOTAL REVENUES	**113,209**	**134,523**	**112,846**	**138,925**

b) Key Activities

KEY ACTIVITY 1: EXECUTIVE OFFICES

Description

The Executive Offices provides overall leadership and management of the NWTHC, support the Minister Responsible for the NWT Housing Corporation, and coordination of the implementation of direction of the government related to housing. The Executive Offices also are responsible for strategic planning, policy development, communications, inter-departmental coordination and inter-governmental activities related to housing.

The Strategic Planning, Policy and Communications Division provides support with regard to long-term strategic direction and planning for the NWTHC. This Division is also responsible for strategic and business planning, policy development, qualitative and quantitative research, and corporate communications. This section represents the NWTHC on a Federal/Provincial/Territorial (F/P/T) level, on interdepartmental working groups, and on other committees.

Major Program and Service Initiatives 2012-13

During 2012-13, the Executive Offices will continue to provide overall leadership and management of the NWTHC and undertake the required policy, communication and strategic planning activities in support of the operations of the NWTHC.

Key initiatives during 2012-13 will include activities in support of a number of the strategic priorities identified in *Building for the Future*. The Minister Responsible for the NWT Housing Corporation is also the Minister Responsible for Homelessness. To support this role a Homelessness Coordinator is being established to provide a focal point within the GNWT on homelessness initiatives. There are currently two programs in support of homelessness. The Homelessness Assistance Fund provides assistance to individuals to help resolve their homelessness situation or travel assistance to return to their home community. The Small Community Homelessness Fund supports projects in smaller NWT communities including food banks and emergency shelters.

The Homelessness Coordinator will administer these funds and represent the GNWT in activities to coordinate homelessness activities with community groups and other levels of government. A review of the current programs and working with smaller NWT communities on homelessness activities will be key activities during 2012-13. The NWTHC will continue to advance its involvement in Betty House, which is a transitional housing project for women and children in Yellowknife, building on the commitments outlined in the MOU signed in February 2012.

Another key area for the Executive Offices will be the continued involvement in the federal-provincial-territorial housing forum. The Minister Responsible for the NWTHC has assumed the Co-Chair role with the federal Minister and there are a number of support committees. This role will be critical to advancing the work on the sustainability of social housing and the challenge created by the declining federal funding. Funding is provided by other provinces and territories to support coordination of the FPT activities.

Significant efforts will be made to improve communications with clients and residents about the programs and services of the NWTHC. This work will build on the re-designed website for the NWTHC that was launched in early 2012. The new website improves accountability and transparency of the NWTHC by making more information available on the NWTHC and its programs and services.

Considerable additional work will be required to continue to implement and advance the strategic priorities and actions described in *Building for the Future*. A Strategic Planning Analyst is being added to support this work. Evaluation frameworks are to be developed for the strategic activities being implement in 2012-13 and considerable policy and program work is needed for other planned changes like the proposed changes to homeownership programs, the work with other departments and completing a needs assessment related to increasing housing options in non-market communities with a focus on housing for critical staff, and developing approaches to pilot a program that would allow clients to work off a portion of their arrears.

KEY ACTIVITY 2: FINANCE AND INFRASTRUCTURE SERVICES

Description

The Finance and Infrastructure Services Branch is comprised of the Finance and Administration Division; Infrastructures Services Division, Financial Planning Section and Information Services Section. Through these units, the branch manages and administers the NWTHC's financial services, capital planning, land acquisition and planning, information services, asset management and infrastructure delivery.

Finance and Administration Division is responsible for the overall financial affairs of the NWTHC. This includes the provision of accounting services, reporting and monitoring, treasury services, mortgage administration, and providing advice to senior management and stakeholders.

The Finance & Administration Division also manages the NWTHC's own source revenues and funding from CMHC under the Social Housing Agreement. The Division is responsible for the Corporate Loan Guarantee Program, which supports the construction of new residential housing in the NWT by independent developers. The Division also provides ongoing subsidy assistance and operational support to various non-profit housing organizations outside of the public housing program.

The Financial Planning Section is responsible for the coordination of the development of plans for capital infrastructure and minor capital projects, corporate budget development, project and budget change management and variance analysis.

The Information Services Section utilizes the latest in information management tools and methodologies to support the business processes of the Corporation and its community partners. The section develops NWTHC-specific information tools as well as system training, which are critical to the delivery of housing programming.

The Infrastructure Services Division is responsible for the overall development, design and procurement, planning and delivery of capital infrastructure projects in support of the NWTHC's rental and homeownership programs. This Division is also responsible for the planning, procurement, and administration of suitable land for the delivery of housing programs and services, and the security of NWTHC assets and mortgage interests. Infrastructure Services is also responsible for the maintenance management of the NWTHC's public housing portfolio in order to ensure its long term sustainability. The Division provides technical assistance in the development of new housing programs and supports the District Offices in their delivery of the Contributing Assistance for Repairs and Enhancements (CARE) program where it works with private homeowners to determine their repair needs and develop scopes of work. Finally, Infrastructure Services is the NWTHC's lead on issues related to energy efficiency and new housing technologies.

Major Program and Service Initiatives 2012-13

An organizational change for the Branch is proposed as part of the 2012-13 Business Plan with the new structure including the divisions described above. This new structure reflects an increased emphasis on budget planning, analysis and monitoring and the increased dependence on information systems to effectively manage, administer, and monitor housing programs.

Information on the investment activity of the NWTHC is required in the Corporate Business Plan to comply with Subsection 91(2) of the *Financial Administration Act*. The NWTHC is restricted to those types of investments specified in Subsection 81(1) of the *Financial Administration Act*, which states:

A public agency may invest money belonging to the public agency:

a. In certificates of deposit, deposit receipts, notes or other evidences of indebtedness given by a bank in consideration of deposits made with the bank; and
b. In securities where repayment principal and interest is unconditionally guaranteed by a bank;

Investments are determined through cash management procedures ensuring surplus funds are invested in those forms of security which pay the highest level of interest while maintaining an adequate level of cash on hand to meet daily requirements. Surplus funds for 2010-11 were invested in short and long-term investments. Short term investments had a market yield of 1.05% to 1.26%. Longer term investments had a weighted average yield of 2.94%.

With the completion of the projects related to the Canada Economic Action Plan (CEAP), the NWTHC is returning to historical levels of infrastructure investment. As a result, there are two positions within the Finance and Infrastructure Branch that will be sunsetting.

In terms of information systems of the NWTHC, two major initiatives are planned. The new Territorial Housing System will become operational on April 1, 2012. This new system is a major step forward in the overall management of the housing programs. The design and the development of the new system was completed with internal resources and the Information Services Division has also been heavily involved in training LHO and district staff on the new system. This new system will allow for real-time monitoring of rent assessment and collection rates; application, wait time and eviction processes; arrears and re-payment plans. Dashboard information of these and similar indicators will be available for managers which will greatly enhance the NWTHC's ability to manage our programs and improve efficiency in the LHOs as resources won't be required to meet reporting and monitoring requests from the district offices and headquarters.

The introduction of the new system will take some time to ensure all staff are fully up to speed and to add some level of historical data. Ensuring the roll-out continues smoothly and making any adjustments that are needed will be a priority early in the fiscal year.

The next major information system planned is the replacement of the Maintenance Management Operating System (MMOS) which is part of the Maintenance Management Program of the NWTHC to track the maintenance activities for its assets. The NWTHC's community partners who deliver the Public Housing Program use MMOS. Through the use of MMOS, the NWTHC monitors demand and preventative maintenance activities, maintenance scheduling, stock inventories, budget performance, and other asset maintenance activities.

This system is currently a stand-alone piece of software that is housed in individual LHOs. Data compilation on all assets is a challenge and monitoring the use of the maintenance activity at a system level is a challenge. The new system will build on the success of the HCIMS and be delivered off central servers with real-time access to LHOs and to NWTHC staff.

Another initiative that will be undertaken during 2012-13 is a project to develop approaches to bulk procurement among LHOs. It is expected that by pooling the purchasing power across LHOs and the NWTHC that some savings can be achieved. In addition, options will be developed on approaches to better position inventory within communities to support service delivery. Currently should an emergency repair be initiated where a fuel tank is required, it often needs to be flown in for many

off-road communities.

Community governments are critical partners of the NWTHC with responsibility for land development. Without developed lots it isn't possible for additional housing infrastructure to be developed. However given the role of the NWTHC in housing development in many non-market communities, it is also a challenge for communities to invest in additional lot development without a sense of future demand. During 2012-13 additional attention will be paid to working with communities to share information on future capital plans and expected longer-term housing need. This will allow the communities to share plans with the NWTHC on land development activities.

Energy efficiency within homeownership units and the public housing units is an on-going priority of the NWTHC. During 2011-12 the Northern Sustainable Housing Project was completed in Inuvik as a partnership between the NWTHC and CMHC. This duplex incorporated a number of energy efficient technologies into the design including solar photo voltaic panels; solar hot water supply; double wall construction; SIP panel floor system; high efficiency heating appliances; and heat recovery ventilation systems. The project was cost shared with CMHC and was approximately 20% higher than typical construction costs. The NWTHC is undertaking detailed monitoring of this project over the next year to measure the performance of the energy efficient features. Another project is in the design phase that incorporates similar energy efficiency approaches. Detailed costing and the results of the Inuvik project will need to be considered before a final decision on this project.

One of the unique features of the Northern Sustainable Housing Project was the involvement of local stakeholders in the design process. In 2012-13, the NWTHC would like to build on this initiative and undertake a project to review NWTHC designs with significant local input. Further parameters around the project will need to be developed, but ensuring culturally relevant house designs with careful attention to construction and operating costs and energy efficiency will be key elements of the project.

Finally, the NWTHC has undertaken successful projects in the past to use capital projects as education and training opportunities. Expanding this activity and ensuring that this is a consistent part of the capital delivery program is identified as a strategic action in *Building for the Future*. During 2012-13 projects will be identified to build on past success in this area. These initiatives require significant involvement of the community and other organizations.

Measures Reporting

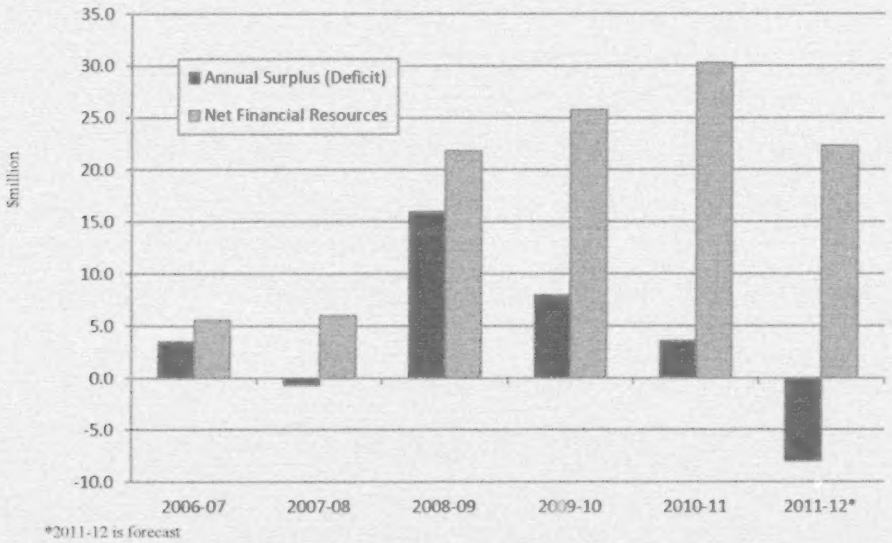
Measure 1 – Financial Health of the NWT Housing Corporation

As a crown corporation, the NWTHC operates under Section IX of the *Financial Administration Act*. The consolidated financial statements of the NWTHC are audited by the Office of the Auditor General of Canada (OAG). Significant effort is required by NWTHC staff to meet the needs of the OAG during the annual audit process.

Overall the NWTHC is in a strong financial position. Annual surpluses in recent years and careful cash management have led to accumulated financial resources totaling approximately $22 million at the end of 2011-12. A significant portion of these accumulated resources are related to carry over and deferred capital projects. As these projects are completed and this financial reserve is drawn down over the next few years it is expected that the NWTHC will run an annual deficit.

While 2011-12 is just being completed, initial estimates indicate a deficit for the NWTHC of approximately $8 million as previously planned projects are being completed.

NWTHC Financial Position
2006-07 to 2011-12

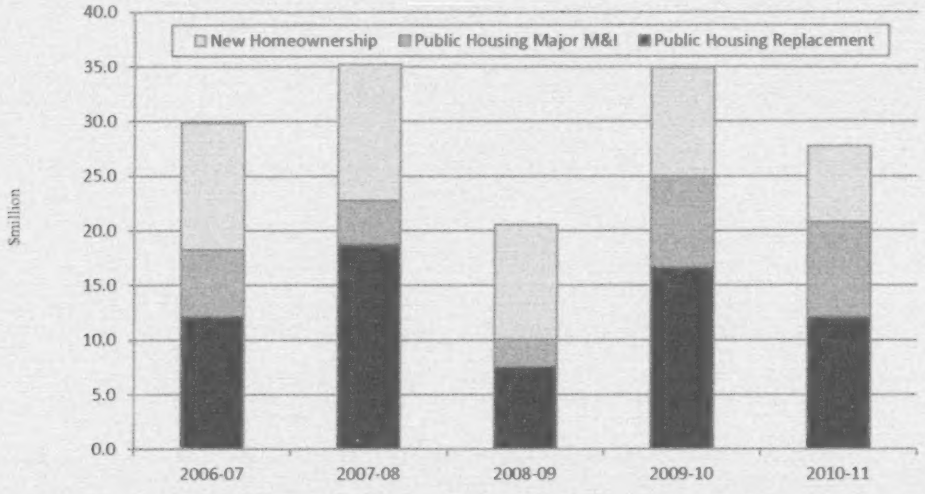


*2011-12 is forecast

Measure 2 – Delivery of Major Infrastructure

Contributions by the GNWT and the federal government through the Northern Housing Trust and the Canada Economic Action Plan have placed considerable pressure on the NWTHC to deliver major infrastructure projects.

Major Infrastructure Spending
2006-07 to 2010-11

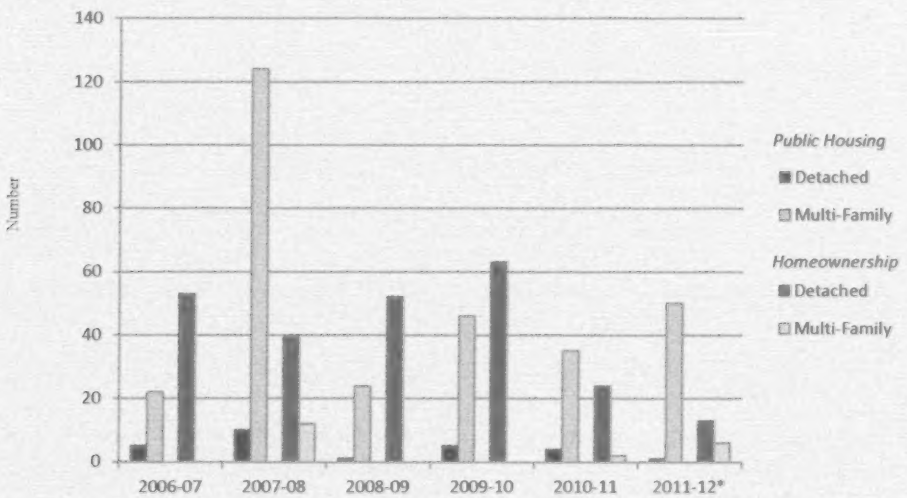


Between 2006-07 and 2010-11 a total of $148.3 million was invested in major infrastructure spending. In 2011-12, the expected spending including carryover and deferred projects will be approximately $31.2 million. The 2012-13 initial capital plan is for $13.2 million and carry-over and deferred projects will be added to that.

Measure 3 – New Housing Projects by Dwelling Type

A priority of the 17th Legislative Assembly related to improving housing conditions is to develop more multi-family units.

New Housing Construction, by Type
2006-07 to 2011-12



This direction is consistent with the approach that has been utilized over the past several years by the NWTHC. For public housing, multi-family units have comprised 92% of the units constructed between 2006-07 and 2011-12. For homeownership, single detached units continue to be the preference.

KEY ACTIVITY 3: PROGRAMS AND DISTRICT OPERATIONS

Description

Programs and District Operations provide corporate support to the NWTHC's five District Offices in the delivery of programs and services to the residents of the NWT. This includes the development, implementation, training, monitoring, and delivery of programs and initiatives that optimize the NWTHC's responsiveness to housing needs in the NWT, and to ensure a continuity of approach to program delivery and implementation.

The Programs Division works closely with district and community housing providers, Local Housing Organizations (LHOs), to ensure compliance with existing policies and procedures, as well as developing and updating operational policies while ensuring that District Offices and LHOs have the support and capacity required to effectively deliver the NWTHC's programs and services.

NWTHC District Offices support communities in program and service delivery. District Offices are responsible for the administration of district capital activities and program delivery. District Offices also play a pivotal role in lands acquisition and development, maintenance, and training, and work closely with external stakeholders at the community level. District Offices work with LHOs and NWT residents to identify options and programming to assist individuals in decision making regarding their housing needs. An important component of the relationship between districts and clients are the services related to mortgage advice and counseling, as well as services provided to clients under the Homeownership Entry Level Program (HELP) designed to prepare them for future homeownership.

Major Program and Service Initiatives 2012-13

The Programs and District Operations Branch has played a critical role in delivering housing programs and services over the past several years. Between 2006-07 and 2010-11, some $204 million in programs were delivered. This included the construction of 522 units overall, including $51.5 million of 253 homeownership units and $67.3 million on 269 public housing replacements. This also included $29.6 million in major retrofits to public housing unit, $25.6 million spent on homeownership repair programs, and $30.1 million spent on minor repairs to rental units.

This significant amount of delivery over this period was largely due to the investments made through the Northern Housing Trust, (delivered through the NWT's Affordable Housing Initiative) and Canada's Economic Action Plan and the matching investment from the GNWT. For 2012-13, capital program delivery will return to historical levels as described in Section 3 d) which outlines the planned infrastructure investments. The District Offices play a critical role in the delivery of the capital program.

For 2012-13 there are a number of major program and service initiatives planned. A Housing Appeals Committee has been established and committee training has been undertaken. Communications around the appeals committee will be undertaken over the next few months and the Committee is expected to begin operations in early 2012-13.

A new program is being established that is a significant action related to the strategic priority of addressing the needs of the working poor that was identified in *Building for the Future*. This Rent Supplement program will provide financial support to reduce the affordability problems and core

need among residents in market rentals. The supplement will be paid to qualified landlords and be allocated to clients with the greatest need that are residing in market rental units.

A new emergency repair program, Secure Assistance For Emergencies (SAFE) is being established. The new SAFE program will provide supports to low and modest income homeowners to address emergency repair situations like freeze-ups, heating system failures, and major electrical problems. Unlike other NWTHC repair programs, this program will be available at any time during the year. A stream-lined application process is proposed and eligibility criteria will be broader than for other programs. In addition, changes will also be made to the CARE program during 2012-13 that will expand accessibility to the preventative maintenance activities related to CARE. The new SAFE program and the changes to CARE will advance the strategic priority of improving homeownership programs identified in *Building for the Future*.

Additional support for District Offices is also provided for in the 2012-13 Business Plan. Increased capacity will be added to the North Slave District Office and additional resources for travel will be added to support district staff's work in communities. Resources will also be added to Programs and District Operations to provide for additional training and support to LHOs. This additional support will build on the work to update and increase availability of five LHO Manuals that will be released in early 2012-13. These manuals include procedures related to: governance, human resources, finance, tenant relations, and maintenance. The manuals will be available on-line for LHOs which will provide for easy search capabilities and allow for easy updates as required. A plain language overview of the LHO Manuals will also be prepared that will be of great value to LHO Board Members and the general public. These manuals have not been updated since 1996 and modernizing these manuals has long been identified by LHOs as important to improving support and consistency between LHOs. The manuals will also help the District Offices who most frequently provide support to LHOs in their respective areas.

Work will begin in 2012-13 to broadly examine the delivery of housing services at a community level. A component of that work will be to examine the approach to the responsibilities and accountabilities of the LHOs and to review the approach to funding LHOs. It is expected that the LHOs will play a critical role in this review.

Measures Reporting

Measure 1 – Delivery of Homeownership Programs

In 2007-08, *Housing Choices* was introduced. This suite of programs included a number of supports for homeowners. CARE, is the primary repair program with two components, major repairs and preventative maintenance.

Number of Clients, by Program
2007-08 to 2011-12

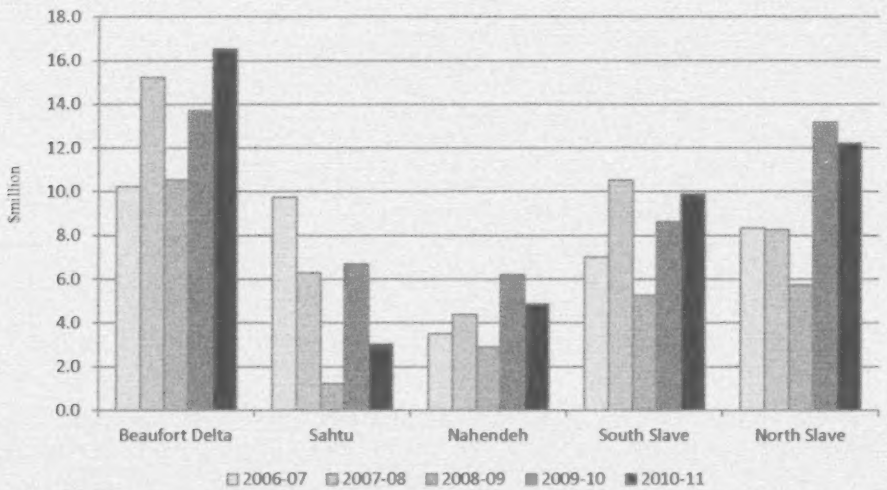
	2007/08	2008/09	2009/10	2010/11	2011/12
CARE - MAJOR	61	70	262	103	103
CARE - PM	157	163	205	106	85
CMHC Repair	53	69	110	86	121
HELP	25	49	22	30	44
PATH	9	2	10	11	15

HELP provides support to residents hoping to transition from the rental market to homeownership and PATH is the primary support program for homeownership. There are a number of CMHC programs that are also delivered.

Measure 2 – Management of Capital Projects

In addition to delivery of the programs identified above, the Programs and District Operations Branch works closely with other areas of the NWTHC to deliver projects. These projects often include working with clients, contracting and inspections. These projects include construction on new homeownership units, units for the HELP program, public housing replacements, major retrofits to public housing units, and major homeownership repair projects delivered under the CARE program.

Overall Value of Program Delivery, by District
2006-07 to 2010-11

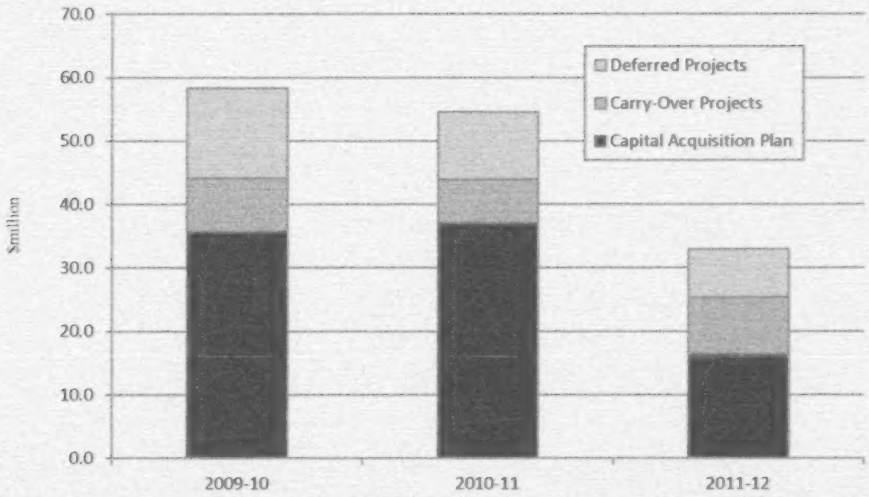


The mix of projects by district is driven by the overall capital acquisition plan and program uptake. The delivery of these projects is a major driver of the workload in district offices. As an example there were 393 contracts administered in 2010-11.

In terms of the components of the capital acquisition plan, each year the plan is developed based on community input, information from previous needs surveys, and information on community assets. However, the overall capital delivery in each fiscal year is comprised of the year's capital acquisition plan, carry-overs from previous years, and projects that were deferred from previous years.

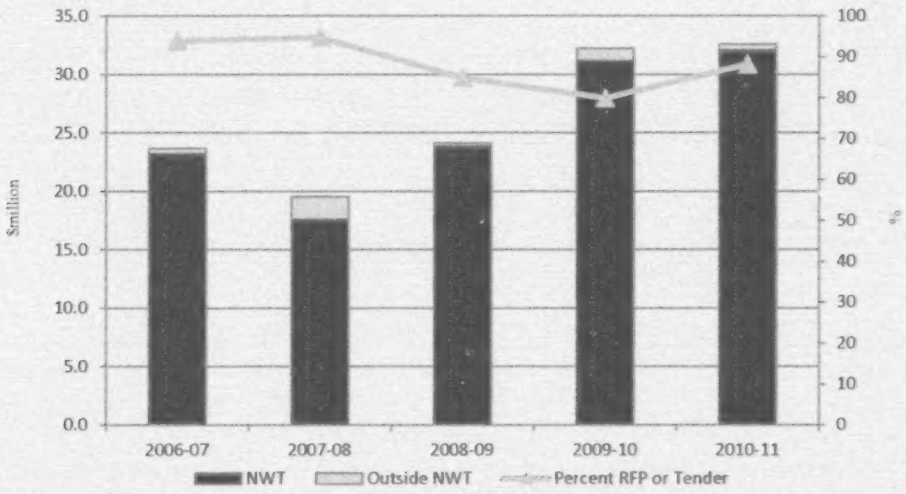
Carry-overs are projects that are started in one year, but are not completed until the subsequent year. Deferred projects are projects that were planned but have yet to be started. This could be caused by factors such as changing circumstances related to the project, delays in land acquisition, or project planning delays.

Total Capital Acquisition Plan, by Source
2009-10 to 2011-12



The NWTHC recognizes the importance of its program delivery to the local business community. Over the past five fiscal years, some 97% of contracts were awarded to NWT businesses. Some 88% of the contract values were awarded through competitive processes like requests for proposals or tenders. The remaining were negotiated contracts or sole source contracts.

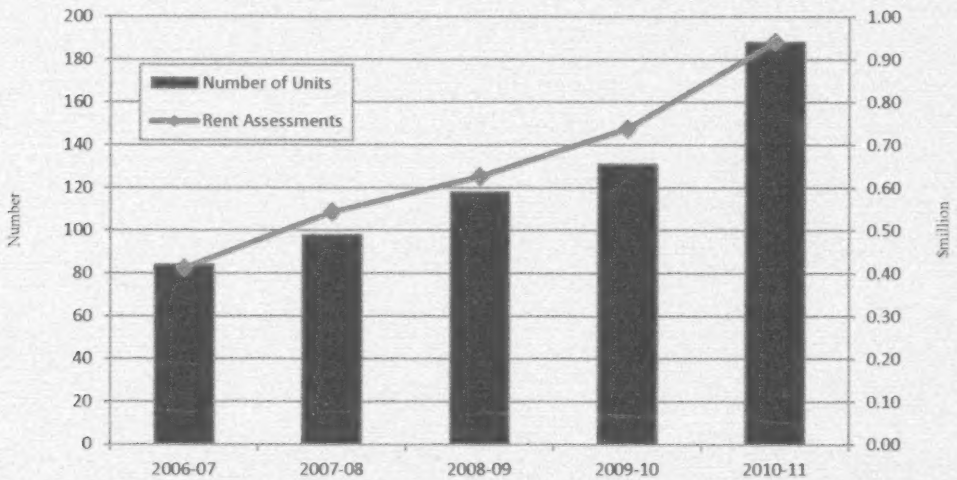
NWTHC Contracting, by Location of Firm and Contracting Process
2006-07 to 2010-11



Measure 3 – HELP and Market Housing Management

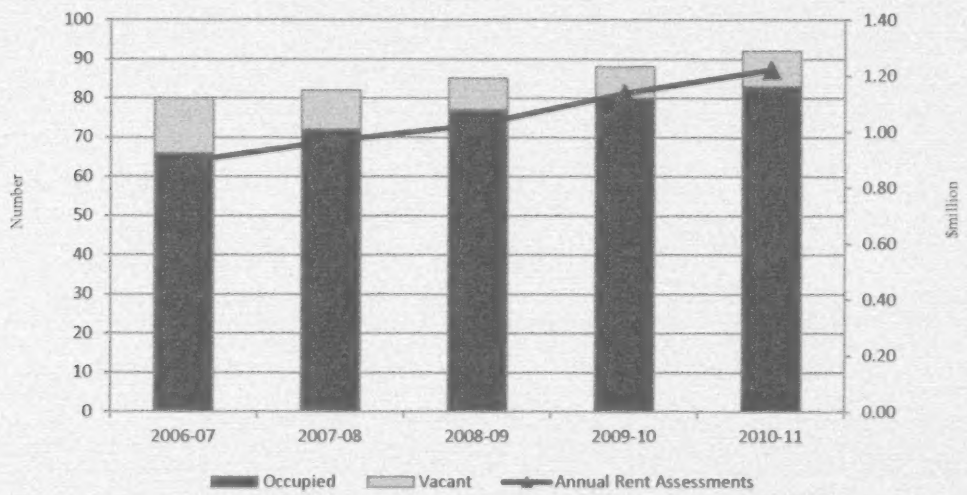
Overall, the number of HELP units has been on the increase over the past several years with a total of 188 HELP units and about $940,000 rent assessed during 2010-11.

HELP and Related Rental Clients and Rent Assessments
2006-07 to 2010-11



The NWTHC operates a number of market rental units in communities through the Northwest Territories. Rent assessments on these units totaled $1.22 million in 2010-11 and occupancy was about 90%.

Market Housing Units and Rent Assessments
2006-07 to 2010-11



KEY ACTIVITY 4: LOCAL HOUSING ORGANIZATIONS

Description

Local Housing Organizations (LHO) - LHOs, operating as agents of the NWTHC, are responsible for the administration of social housing rental units in the majority of the communities across the NWT. This includes public housing units under the Social Housing Agreement between NWTHC and Canada Mortgage and Housing Corporation (CMHC). The Public Housing Program is a rental program designed for individuals and families who do not have the financial resources to access shelter on their own. The NWTHC, in partnership with 23 LHOs, administers approximately 2,400 social housing units in 26 communities across the NWT. LHOs provide, under agreement with the NWTHC, property management services including the allocation of units, the assessment of rent, the collection of rents, and the provision of preventative and demand maintenance services. Each local housing organization has an advisory board which oversees LHO operations. The NWTHC's district offices are responsible for these operations in communities without an LHO.

Major Program and Service Initiatives 2012-13

As noted in the Programs and District Operations Branch, there are a number of additional activities that are being undertaken to strengthen the support provided to LHOs. The finalization of the modernized manuals and increased resources for training and support are expected to strengthen operations of the LHOs.

As was noted in the Finance and Infrastructure Services Branch the introduction of the new Territorial Housing System will significantly enhance the ability to monitor and report on public housing. The new system will be operational on April 1, 2012 and all LHOs, the district offices and headquarters staff have received training. The new system will allow for real-time monitoring of rent assessment and collection rates; application, wait time and eviction processes; arrears and re-payment plans. The system will also allow for changes in key indicators over time.

During 2011-12, a total of 27 units were added to the public housing stock. These included units in Gameti, Wekweeti, Whati, Jean Marie River, Trout Lake and Nahanni Butte. An investment of $500,000 has been added to the budget for Local Housing Organizations related to the operations for these units. LHOs have not been established in these communities and the units are being managed through administrative arrangements.

A key initiative for 2012-13 related to the public housing program is the introduction of new rent scales. The changes to the rent scales were developed as part of the rent scale review undertaken as part of the broader Shelter Policy Review. The new rent scales reflect the input from residents who wanted rent scales that were simple, fair, and predictable and wanted to address the disincentive to work that was identified as a major concern in the old public housing rent scales.

The new rent scales will result to an initial decline in rental revenues, although at an individual tenant level some will see rent decrease and some will see a rent increase. The new rent scales will address a number of the concerns expressed by residents and will include: new minimum ($70 per month) and new maximum rents ($1,625 per month); rent geared to income so at the lower end tenants will pay about 4% of gross income and at the maximum rent about 19.5% of gross income; a more gradual increase in rent as income increases; rent unlikely to change with small changes in income; and an income exemption of $1,000 per month for Seniors to minimize the impact of the new rent scale on Seniors.

An additional change impacting public housing will be to increase the tenants' responsibility for electricity from 6 cents per kilowatt hour to 9 cents per kilowatt hour. This change is consistent with the principle of supporting self-reliance and ensures that public housing clients continue to pay significantly less than other residents where the rates are currently about 47 cents per kilowatt hour, although the territorial power subsidy program ensures that residential clients pay no more than the Yellowknife electricity rate for users below a usage threshold.

Investments are included in this business plan to offset the impact of the forced growth from utility price increases and from the declining CMHC funding. As noted earlier, a key strategic priority from *Building for the Future* is to address the issues of declining CMHC funding. Changes that are being implemented to the public housing rents scales, to homeownership programs, and to address the challenges of the working poor will all potentially help relieve pressure on the public housing program into the future. As noted, work is continuing with federal, provincial and territorial partners on a longer term solution related to the sustainability of public housing. However, in the short-term new investment will be required to offset annual reductions in CMHC funding.

As indicated utility price changes will continue to impact the overall cost of the public housing program. While the NWTHC continues to move towards more multi-family construction and energy efficiency in public housing units, these changes do not offset the price increases. As noted in the measures section, consumption information shows relatively stable patterns for electricity and reduced consumption of fuel oil in recent years.

Measures Reporting

Measure 1 – Effective Overall Management of LHO Operations

The NWTHC funds LHOs for administering public housing in each community. LHOs are funded based on actuals for utilities and lease arrangements related to the public housing programs. In the case of administration and maintenance and repairs, the LHOs are funded based on the target of collecting 90% of assessed rent. If the LHO exceeds 90% rent collection, they are able to use the excess for other housing priorities within their community. If 90% rent collection is not achieved or the administration and maintenance and repair expenditures are over budget, the LHO is likely to run a deficit.

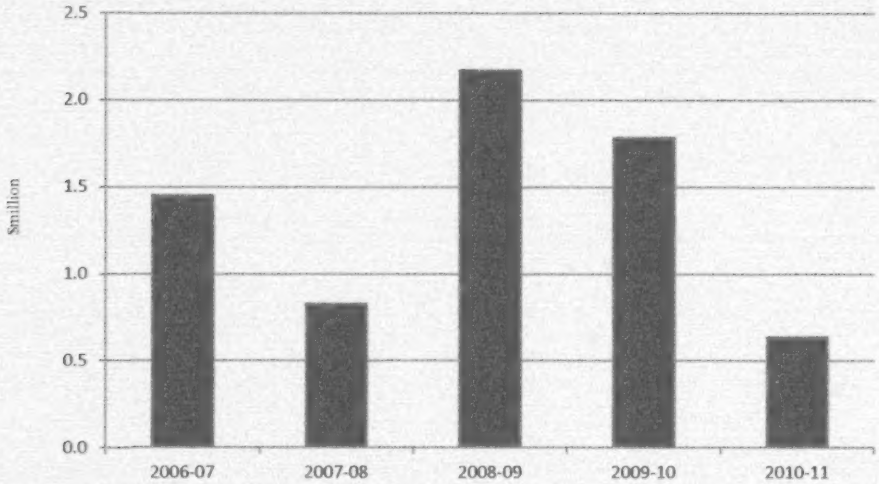
As noted below, there were 10 out of the 23 LHOs that had an operating deficit in 2010-11. This value has been relatively consistent over the past several years.

Local Housing Organizations with Operating Deficits
2006-07 to 2010-11

	Number
2006-07	11
2007-08	10
2008-09	12
2009-10	12
2010-11	10

For most LHOs deficits are closely correlated with rent collection. Overall rent collection arrears dropped to $637,000 in 2010-11 which is a significant decline from the high of $2.2 million in 2008-09.

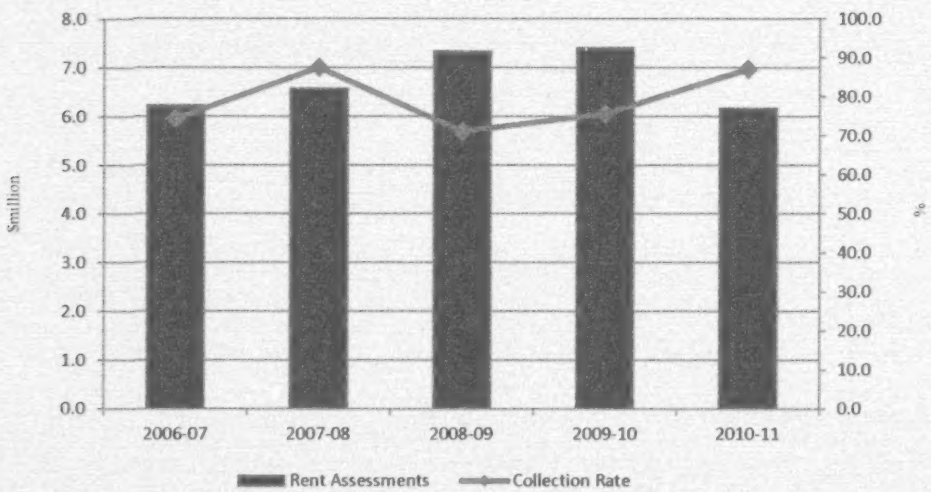
Public Housing Rent Collection Arrears
2006-07 to 2010-11



Measure 2 – Managing Tenant Relations

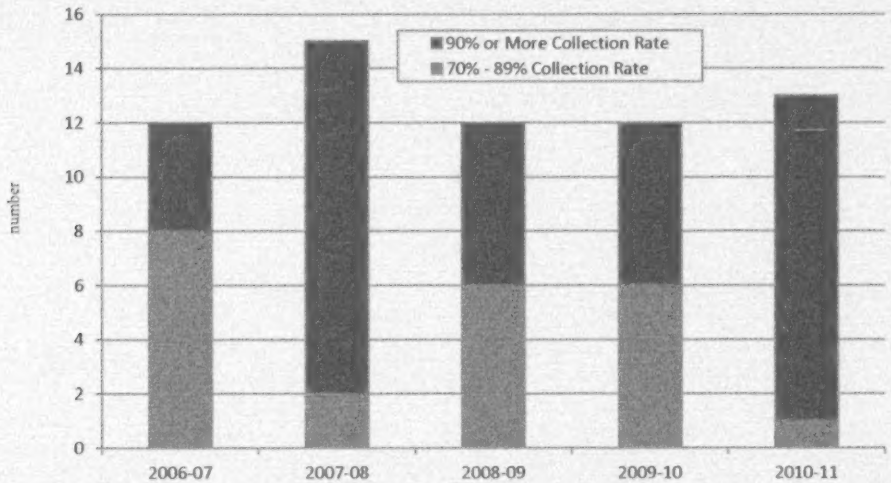
A critical responsibility of the 23 Local Housing Organizations is to complete rent assessments and collect rent in the 2,400 public housing units. Some caution is required in interpreting indicators on rent assessment and collection, as any revisions for previous year's assessments (for example if a tenant provides new information) or collections on previous arrears are recorded in the year where the revision takes place. As a result, collection rates can be above 100% in cases where arrears are being paid off.

Public Housing Rent Assessments and Collection Rate
2006-07 to 2010-11



Collection rates have varied considerably in the past five years with a low of 71% in 2008-09. In 2010-11 they rebounded to 87%. Rent assessments were lower in 2010-11, reflecting in part revised assessments from the previous two years.

Local Housing Organizations Collecting 70% or More of Assessed Rent
2006-07 to 2010-11

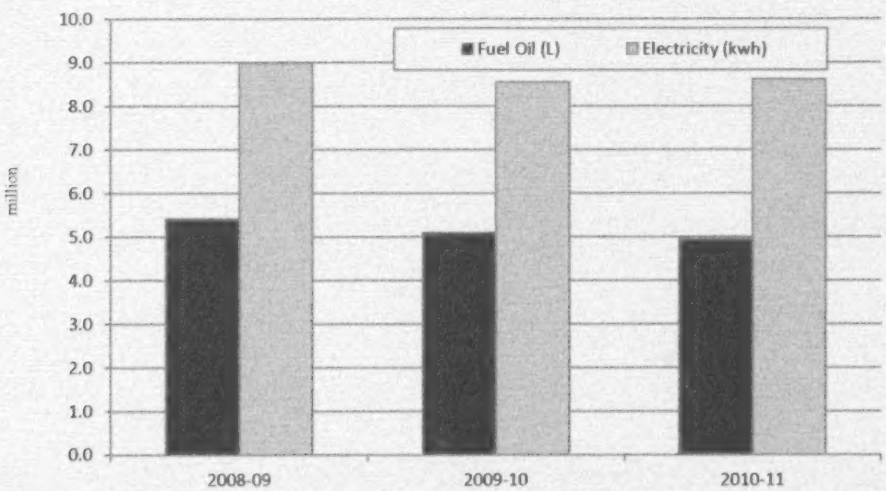


Collection rates vary significantly across LHOs. Overall, about half of the 23 LHOs collect 70% or more of assessed rent in each of the last five years. There was an improvement in the number of LHOs collecting at least 90% of assessed rent in 2010-11 with 12 achieving this target. The 90% of assessed rent is a critical value as this is needed for the LHO not to run the risk of having an operating deficit.

Measure 2 – Operating Public Housing Units

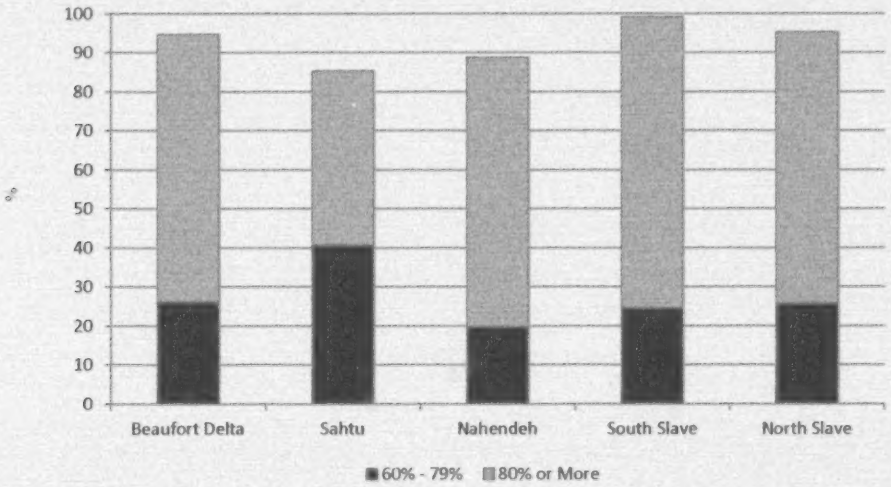
Although less time series data is available, recent investments in energy efficiency and modernizing the public housing stock appears to have paid off. Overall the liters of heating fuel for public housing units declined by 8.7% between 2008-09 and 2010-11.

Utility Consumption in Public Housing Units
2008-09 to 2010-11



There was a decline in kwh used in public housing units between 2008-09 and 2009-10, followed by a slight increase in 2010-11. Significant caution needs to be used in terms of interpreting these results as a number of factors could contribute to changes in consumption patterns.

Public Housing Condition Rating, by District
2010-11



Overall, 94% of public housing units had a condition rating of 60% or more in 2010-11, with 67% being above 80%. Significant work has been undertaken to ensure a consistent approach is used in determining condition ratings for future years. The improved training, tracking and evaluation of the condition ratings will strengthen this information as a management and monitoring tool.

c) Responding to Priorities of the 17th Assembly

The Department is undertaking in the following activities in support of the priorities identified by the 17th Assembly:

Priority 3 – Address Housing Needs

Description

The 17th Legislative Assembly identified the following priority:

> **Address housing needs** by completing and implementing the Shelter Policy Review including fair and sustainable public housing rent scales, selling our public housing stock where this makes sense, and putting higher density housing units in small communities.

The NWTHC will play a central role in this priority. *Building for the Future*, is the strategic plan for housing that resulted from the Shelter Policy Review. The strategic priorities and actions outlined in this framework will take some time to implement, but will be a critical element of advancing this priority of the 17th Legislative Assembly.

Planned Activities for 2012-13

Some of the key strategic actions that are proposed to be advanced during 2012-13 include:

- Implement new public housing rent scales.
- Introduce a new rent supplement program to address housing challenges of the working poor living in market rentals.
- Implement SAFE a new emergency repair program for low income homeowners.
- Make changes to CARE to improve accessibility to NWTHC repair programs.
- Continue steps related to Betty House and addition of a Homelessness Coordinator for improved coordination of homelessness activities and working with communities outside of Yellowknife.
- Complete detailed planning related to expanding housing options in non-market communities with a focus on demand related to critical staff.
- Initiate a planning exercise, in cooperation with LHOs, to examine approaches to improve community level delivery of housing services.
- Continue to advance federal-provincial-territorial work on the sustainability of social housing and the challenge created by the declining federal funding as co-chair of the FPT Housing Committee.

Participating Departments

Many of the strategic actions planned by the NWTHC will be coordinated with other social program departments including Education, Culture and Employment, Health and Social Services, Municipal and Community Affairs. Work with these departments will be particularly critical in the effort to expand housing options in non-market communities with a focus on demand related to critical staff and the work on homelessness.

d) Infrastructure Investments

Planned Activities – 2012-13

The development of the Capital Delivery Plan for the NWTHC consists of discussions with clients and community leaders, client intake applications, a review and analysis of the most recent Community Survey, condition ratings of the NWTHC's assets (public housing, market rentals, offices, and warehouses), community population estimates and projections, and the long-term housing needs assessment.

As described previously the infrastructure program of the NWTHC includes investments in major capital and minor capital programs.

Major & Minor Capital Spending ($million)
2006-07 to 2011-12

	Total
2006-07	38.8
2007-08	44.7
2008-09	25.6
2009-10	48.4
2010-11	46.5
2011-12*	33.5

* Projected

For 2012-13, infrastructure investments are expected to total $24.4 million, including $13.3 million in major capital expenditures and $11.2 million in minor capital. This value does not include any carryovers or deferred projects.

With respect to major capital investment, as described in the 2012-13 Capital Estimates the proposed capital acquisition plan allocates $8.8 million for new housing and $4.4 million for major modernization and improvement of public housing.

Planned Major Capital Projects, by Type
2012-13

	New Home-ownership	Public Housing Replacement	Public Housing Retrofit	Home-ownership Retrofit	Warehouse Replacement
Total	6	26	118	6	1
Beaufort-Delta	2	8	16	0	1
Sahtu	1	0	10	2	0
Nahendeh	3	2	0	2	0
South Slave	0	3	74	0	0
North Slave	0	13	18	2	0

The capital acquisition plan also calls for the allocation of $11.2 million under minor capital. This includes the PATH program, CARE programs, the new SAFE program and CMHC repair programs.

e) Legislative Initiatives

Planned Activities – 2012-13

The NWTHC has no plans for Legislative changes during 2012-13.

f) Human Resources

Overall Human Resource Statistics

Employees

	2011	%	2010	%	2009	%	2008	%	2007	%
Total	104		103		95		103		98	
Indigenous Employees	67	64%	64	62%	68	72%	51	50%	47	48%
Aboriginal	40	39%	36	35%	42	44%	35	34%	36	37%
Non-Aboriginal	27	26%	28	27%	26	27%	16	16%	11	11%
Non-Indigenous Employees	37	36%	39	38%	27	28%	52	50%	51	52%

Note: Information as of December 31

Senior Management

	2011	%	2010	%	2009	%	2008	%	2007	%
Total	10		10		10		7		9	
Indigenous Employees	7	70%	6	60%	8	80%	4	57%	5	56%
Aboriginal	2	20%	3	30%	3	30%	2	29%	3	33%
Non-Aboriginal	5	50%	3	30%	5	50%	2	29%	2	22%
Non-Indigenous Employees	3	30%	4	40%	2	20%	3	43%	4	44%
Male	7	70%	7	70%	7	70%	6	86%	8	89%
Female	3	30%	3	30%	3	30%	1	14%	1	11%

Note: Information as of December 31

Non-Traditional Occupations

	2011	%	2010	%	2009	%	2008	%	2007	%
Total	18		19		18		17		17	
Male	15	83%	17	89%	16	89%	15	88%	16	94%
Female	3	17%	2	11%	2	11%	2	12%	1	6%

Note: Information as of December 31

Employees with Disabilities

	2011	%	2010	%	2009	%	2008	%	2007	%
Total	3	2.9%	2	1.9%	2	2.1%	2	2.1%	2	1.9%

Note: Information as of December 31

Position Reconciliation

This information differs from the employee information on the preceding page; Human Resource information reflects actual employees as of December 31 each year. The information presented below reflects position expenditures approved through the budget process for each fiscal year.

Active Positions

Summary:

	2011-12 Main Estimates	Change	2012-13 Main Estimates
Total	123	(6)	117
Indeterminate full-time	123	(6)	117
Indeterminate part-time	-	-	-
Seasonal	-	-	-

Adjustments During the Year:

Position	Community	Region	Added/ Deleted	Explanation
Executive Offices				
Strategic Planning Analyst	Yellowknife	HQ	Added	New Position
Homelessness Coordinator	Yellowknife	HQ	Added	New Position
Programs & District Operations				
Programs Coordinator	Yellowknife	HQ	Added	New Position
Program Development Specialist	Yellowknife	HQ	Deleted	Sunset CEAP
Program Development Specialist	Yellowknife	HQ	Deleted	Sunset CEAP
Lands/Technical Advisor	Yellowknife	North Slave	Deleted	Sunset CEAP
Finance Officer	Yellowknife	North Slave	Added	Re-organization
Program Advisor	Hay River	South Slave	Added	Re-organization
Program Advisor	Hay River	South Slave	Deleted	Sunset CEAP
Technical Advisor	Norman Wells	Sahtu	Deleted	Sunset CEAP
Lands/Technical Advisor	Fort Simpson	Nahendeh	Deleted	Sunset CEAP
Technical Advisor	Inuvik	Beaufort-Delta	Deleted	Sunset CEAP
Program Advisor	Inuvik	Beaufort-Delta	Deleted	Re-organization
Finance & Infrastructure Services				
Manager Construction Services	Yellowknife	HQ	Deleted	Sunset CEAP
Tech Officer Architectural	Yellowknife	HQ	Deleted	Sunset CEAP
Material Management Officer	Yellowknife	HQ	Deleted	Re-organization
Manager Fiscal Planning	Yellowknife	HQ	Deleted	Re-organization
Senior Budget Officer	Yellowknife	HQ	Added	Re-organization

Other Human Resource Information

The Department of Human Resources has launched a long-term human resources strategy for the public service entitled, *20/20: A Brilliant North*. Among other initiatives, this strategy provides a framework for the development of departmental human resource plans, including succession plans and affirmative action plans.

The tables below indicate statistics on departmental human resource activities with respect to summer students, interns and transfer assignments for 2011.

Summer Students				
Total Students	Indigenous Employees (Aboriginal + Non Aboriginal	Indigenous Aboriginal	Indigenous Non-Aboriginal	Non-Indigenous
3	3	2	1	0

Note: Information as of August 17

Interns				
Total Interns	Indigenous Employees (Aboriginal + Non Aboriginal	Indigenous Aboriginal	Indigenous Non-Aboriginal	Non-Indigenous
0	0	0	0	0

Note: Information as of December 31

Transfer Assignments (In)				
Total transfer assignments	Indigenous Employees (Aboriginal + Non Aboriginal	Indigenous Aboriginal	Indigenous Non-Aboriginal	Non-Indigenous
8	5	2	3	3

Note: Information as of December 31

Transfer Assignments (Out)				
Total transfer assignments	Indigenous Employees (Aboriginal + Non Aboriginal	Indigenous Aboriginal	Indigenous Non-Aboriginal	Non-Indigenous
0	0	0	0	0

Note: Information as of December 31

Activities Associated with Staff Training & Development

The NWTHC supports its employees to pursue training and professional development opportunities. Recently, a number of employees have worked towards or completed designation as a Certified General Accountant (CGA), Supply Chain Management Professional designation, Senior Right-of-Way designation, Real Property Administrator designation, and completion of a Land Planning Certificate. In addition, six employees are enrolled in the GNWT's Managers / Emerging Manager's Leadership Development Program. One employee is currently on education leave to complete course work for a Bachelor of Management Degree. Resources are also available for short-term training opportunities to support skill development.

g) Information Systems and Management

Overview

The Information Services Section of the NWTHC provides complete information technology services and support to its corporate employees in headquarters and district offices. These services are also made available to the NWTHC's community partners to effectively deliver the *Public Housing Program*. Through the use of the latest technologies, information management methodologies and innovative system designs, the NWTHC ensures that its computerized operating systems remain at an optimum level. Continued research, development and implementation of modern systems and hardware also contribute to achieving this goal.

Program Systems: The Housing Corporation Information Management System (HCIMS) is the central system used to deliver homeownership programs that are offered under the Housing Choices program. The system is used for several purposes and divided into the following modules:

1. Client Application System - The system is used to record and store data received from applicants to the program. Safeguards for approvals are built in to ensure that applicants are approved according to the policies of the Housing Choices program. The system provides valuable data that is used to develop budgets and update programs to improve responsiveness.

2. Land Inventory System - The system is used to record and monitor the security the NWTHC's inventory of land.

3. Administration System - This system is used primarily for global reporting. The NWTHC can track and identify trends in community housing demands, changing income levels, and areas where improvements can be made to its programs.

4. The NWTHC uses the Maintenance Management Operating System (MMOS) as part of its Maintenance Management Program to track the maintenance activities for its assets. The NWTHC's community partners who deliver the Public Housing Program use MMOS. Through the use of MMOS, the NWTHC monitors demand and preventative maintenance activities, maintenance scheduling, stock inventories, budget performance, and other asset maintenance activities. Through the monitoring of MMOS reports, the NWTHC provides support and direction to its community partners to ensure assets are maintained at a high standard.

5. Sharepoint – Collaboration portals.

6. MAS – Mortgage Administration System tracks client mortgages and through a link with SAM.

7. HOC - Homeownership Calculator (HOC) is used to calculate levels of assistance and rent for applicants to the NWTHC homeownership programs.

8. SAM - Information Services will support the implementation of the System for Accountability and Management (SAM) by ensuring that data transferability will be seamless, secure and compatible between GNWT and NWTHC systems.

Planned Activities - 2012-13

The Rentscale computer program will be replaced by the Territorial Housing System (THS) in April 2012 addressing the gaps in the existing system application model to ensure that the NWTHC can improve the management of the Public Housing Program. This social housing tool will directly reflect our partnerships with tenants and better inform our decisions as they relate to housing programs. The NWTHC has completed the testing phase and training occurred in January and February 2012. The THS will be a module of the HCIMS in order to facilitate information sharing and increased reporting capabilities across the organization.

During 2012-13, the Client module of the NWTHC Information Management System (HCIMS) will be further enhanced though the establishment of linkages to the Canada Revenue Agency to allow for direct income verifications allowing for accurate and timely decision making.

The current standalone version of the Maintenance Management Operating System (MMOS) will be replaced with a centralized system capable of providing in-depth corporate wide reporting, improved data security, and enhanced financial integration and accountability. The business requirements analysis phase of this project is currently underway with a completion date of March 31, 2012. Upon completion of the business requirements analysis development/procurement of system tools required to facilitate these criteria will be initiated. Implementation of the new software is expected to be completed in 2013.

The NWTHC is launching a new Microsoft SharePoint environment to help improve organizational effectiveness by providing comprehensive content management and enterprise search, accelerating shared business processes, and facilitating information-sharing and collaboration across districts, divisions and community partners for better corporate insight. Additionally, this collaboration and content management server provides IT staff with the platform and tools they need for server administration, application extensibility, and interoperability.